

**Testimony for Connie Hubbell  
Chair, Kansas Health Policy Authority Board  
Health Policy Oversight Committee  
August 23, 2006**

Good morning, members of the Health Policy Oversight Committee. My name is Connie Hubbell, and I am serving as the new Chair the Kansas Health Policy Authority Board, effective July 10<sup>th</sup> of this year. I look forward to working with all of you in this new capacity and I thank you for inviting me here today. I am pleased to provide you an update on the Board's actions over the last few months.

The Authority Board has made significant progress on several board activities and proposed legislative and budget initiatives. Our Interim Executive Director, Dr. Marcia Nielsen is here today and she will discuss in greater detail some of the recommendations of the Board for the Fiscal Year 2008 Enhancement Budget. This morning, I would like provide a report to you focused on the board's progress since Dr. Nielsen last testified to the Oversight Committee in March of this year.

The Board has continued its work in formulating policies and procedures to ensure that we can effectively focus on our mission of improving the health and health care of Kansans. First, the Board recently voted in a slate of officers who will serve on the Executive Committee, which includes myself as Chair, Joe Tilghman as Vice-Chair, and Susan Page as Secretary. We look forward to working closely with the Oversight Committee and the Authority staff as we prepare for the upcoming legislative session.

Secondly, the Board has formed several key committees, which includes the Finance & Audit Committee, Human Capital & Compensation Committee, and Governance & Nominating Committee. These committees are already meeting and offering recommendations to the Board and to the staff in order to ensure effective Board management and engagement. Attached you will find the members of each committee.

In addition, in an attempt to protect the interest and integrity of the KHPA, the Board has developed a conflict of interest policy for Board members, as well as a policy regarding legislative and external communication. These are also attached to this testimony. As you know, bylaws for the Kansas Health Policy Authority were developed and adopted earlier this year.

As I mentioned briefly, the Board has also made great progress in legislative and budget activities. The Authority voted to recommend a number of proposed legislative and budget initiatives and programs for the Fiscal Year 2007 Supplemental and Fiscal Year 2008 Enhancement Budgets. Coordination with other health agencies is important to the success of improving the health and health care of all Kansans. In our September board meeting, we will be asking the Secretaries of the Department of Social and Rehabilitative Services, Department on Aging, and Department of Health and Environment, who are also Ex-officio Board members, to provide their respective agencies' selected legislative and budget initiatives for Fiscal Year 2007 and Fiscal Year 2008 for possible Health

Policy Authority Board endorsement. These Cabinet Secretaries are our partners in this mission and we want to continue our strong working relationship with them.

The set of initiatives proposed thus far support the mission of the KHPA as outlined in the statute. That is: To enhance efficiency in health care purchasing, use data to drive health policy decisions, and include an increased focus on health promotion and disease prevention.

Four criteria were considered to determine the funding priorities. First, the initiative needed to be of relevance to the health and health care of Kansans. Second, we sought to balance initiatives that increase health care access, improve health quality, increase health and wellness and/or improve affordability and efficiency. Third, we considered the potential support for each program and initiative from the Governor, Legislature and health stakeholders. Finally, administrative feasibility of implementation of the program or policy was considered. These criteria were developed based on discussions the Board had over the past several months in consultation with Authority staff and health stakeholders.

Perhaps most urgently, we have recommended for FY 07 funding additional Authority staffing and infrastructure resources that are necessary for an independent state agency. Dr. Marci Nielsen and Scott Brunner, the Kansas Medicaid Director, will explain this more in-depth. The Board believes an increase in staffing is essential to meet the expectations for this new independent agency and achieve the ambitious goals outlined by the legislation that created it.

Our proposed recommendations are meant to strike a balance between the short term and long term responsibility of the Authority. These legislative and budget initiatives and programs are broad but yet support the overall mission of the Authority by providing quality health care and make it more accessible to Kansans. They seek to transform the Kansas health system to empower consumers and purchasers with the information and tools they need to attain and maintain good health.

As you know, this package of legislative and budget initiatives will be submitted to the Governor for her consideration and shared with the Legislature. We look forward to partnering with you to ensure we are meeting your expectations.

**KANSAS HEALTH POLICY AUTHORITY BOARD**  
**Legislative and External Communications Policy**

A. Legislative initiatives: KHPA staff must work closely with the Board to advance the legislative initiatives of the Authority and follow the progress of others. Relevant information is to be communicated to the Board by the Executive Director and staff. Board participation in the legislative process shall be guided by the Executive Director and Board Chair, and will typically be limited and coordinated closely with staff.

(1) Budget priorities: The legislative initiatives of the Authority will be included in the budget priorities. These priorities will be generated by staff and approved by the Board prior to the legislative session, as part of the budget request to the Governor. The Executive Director will communicate and advocate funding for these priorities to legislators and other interested parties. The Executive Director will communicate regularly with the Board Chair and Executive Committee, and will provide updates to the Board on this activity. Additionally, staff will provide written updates to the Board on legislative activity during the legislative session.

(2) Other priorities: When it is important that proposed legislation which the Board has not considered must be quickly addressed, particularly during a legislative session, the Executive Director will work closely with the Chair and the Executive Committee to respond in a timely manner.

(3) Board participation: On some occasions Board members will be asked to weigh in on important initiatives. In this event, the Executive Director will create a set of talking points and legislative targets, and will work closely with Board members to make calls/conduct meetings. Board members will also occasionally be asked to send in editorials, etc. to support legislative initiatives.

(4) Role of Ex-Officio Board Members: Given their role as Cabinet Secretaries or officers, Ex-Officio Board members play a unique role regarding legislative issues. Accordingly, the Executive Director and Board Chair will work closely with Ex-Officio Board Members to determine how best they can support specific legislative issues.

B. Press inquiries: The appropriate spokesperson for the Board is the Chair, and for the Authority, the Executive or Deputy Director. Press inquiries are to be referred to the Chair or Executive Director.

C. Outside interests: Board members are encouraged to give public presentations, etc., in order to advance the interests of the Authority. Such presentations will be coordinated with the Executive and Deputy Director so that Board members have adequate support and technical information.

(1) Contract Bidders: It is inappropriate for Board members to meet with vendors who are actively seeking contracts with the Authority [under an open RFP]. (Accordingly, Board members are asked to query vendors/contractors about such contracts prior to meeting.)

(2) Stakeholder Groups: The Authority will seek public input from interested persons and groups at a series of Town Hall meetings scheduled each year. However, Board members are likely in their professional capacity to speak with interested persons and groups on issues that affect the Board. Board members are encouraged to do so. Specific issues, such as “case work” on behalf of a group or individual, will be referred to the Executive or Deputy Director.

Approved by action of the Kansas Health Policy Authority Board on  
August \_\_\_\_\_, 2006.

KANSAS HEALTH POLICY AUTHORITY

By: \_\_\_\_\_  
Connie Hubbell, Chair

8-15-06

KANSAS HEALTH POLICY AUTHORITY  
Board Members  
Conflict of Interest Policy

A. **Purpose.** The purpose of this conflict of interest policy is to protect the interest of the Kansas Health Policy Authority ("KHPA") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the KHPA Board (the "Board"). This policy is intended to supplement but not replace any applicable laws governing conflicts of interest.

B. **Definitions.** The key terms used in this policy are defined as follows:

**Board Committee:** Any committee that has specific authority to take final action relative to the operations, transactions, or business of KHPA delegated to it by the Board (as opposed to a committee that is simply advisory).

**Board member:** Any person serving on the KHPA Board pursuant to K.S.A. 75-7401 et seq. or any member of any Board Committee appointed by the Board.

**Compensation:** Any direct or indirect remuneration, including any substantial gifts or favors.

**Conflicting interest:** Holding a financial interest (which includes investment interests and/or compensation as a member, shareholder, owner, partner, trustee, director, officer, or employee of any organization or governmental entity that either:

- (1) contracts with KHPA, or
- (2) is involved, or is likely to become involved, in any litigation or adversarial proceeding with KHPA.

**Family member:** a spouse, parent, child, sibling, grandparent or grandchild of the Board member.

**Financial interest:** Any arrangement or transaction in which an interested person has, directly or indirectly, through business, investment, or family a present or potential ownership, investment interest, or compensation arrangement with KHPA or with any entity or individual with which KHPA has, or may have, a transaction or arrangement.

A person has a financial interest if the person has, directly or indirectly through business, investment or family.

- (1) an ownership or investment interest in any entity with which KHPA has a transaction or arrangement, or
- (2) a compensation arrangement with KHPA or with any entity or individual with which KHPA has a transaction or arrangement, or

- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which KHPA is negotiating a transaction or arrangement.
- (4) Serves on the governing body of any entity with which KHPA has a transaction or arrangement

Compensation includes direct and indirect remuneration as well as gifts or favors that; are substantial in nature.

The Board or a committee of the Board shall review the Financial Interest of a Board member, or officer of KHPA and upon facts sufficient for the committee to determine that the Financial Interest is either so small or so indirect that the Board member or officer, upon disclosure to the Board may participate in the discussion and vote.

**Interested person:** Any KHPA officer, member of the Board, or member of a committee with Board delegated powers who has a direct or indirect "financial interest," as defined above, is an interested person.

**Key management personnel:** The Executive Director of KHPA, any managers who report directly to the Executive Director, and any other personnel so designated by the Executive Director or the Board.

**Person covered by this policy:** Any Board member, member of any Board committee, officer of KHPA, and key management personnel of KHPA.

C. Disclosure of conflicts of interests. Every person covered by this policy shall submit in writing to the Board a Conflict of Interest Disclosure Statement listing all financial or conflicting interests. Each statement shall be resubmitted with any necessary changes each year or as any additional conflicting or financial interests arise. A copy of the Forms filed with the Governmental Ethics Commission shall be sufficient to comply with this requirement.

D. Procedure to be followed at meetings. Whenever the Board or a Board committee is considering a transaction or arrangement with an organization, entity, or individual in which a person covered by this policy has a financial or conflicting interest, the following must occur:

- (1) The interested person must disclose the financial or conflicting interest to the Board or Board committee.
- (2) The Board chair, the Board committee, or the Board may ask the interested person to leave the meeting during discussion of the matter regarding the potential conflict. If asked, the interested person must leave the meeting, but may make a statement or answer any questions on the matter before leaving.
- (3) The interested person shall not vote on the matter regarding the potential conflict.

- (4) The Board or Board committee must approve the transaction or arrangement by a majority vote of a quorum of the Board members present, not including the vote of the interested person.

If an interested person has a financial interest in a transaction or arrangement that might involve personal financial gain or loss, the following should be considered in addition to the provisions described above:

- (1) If appropriate, the board or board committee may appoint a non-interested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (2) To approve the transaction, the Board or Board committee must first find, by a majority vote of the Board members, not including the vote of the interested person, that the proposed transaction or arrangement is in KHPA's best interest and is for its own benefit, that the proposed transaction is fair and reasonable to KHPA, and that after reasonable investigation KHPA cannot obtain a more advantageous transaction or arrangement with reasonable efforts.
- (3) The interested person shall not be present for the discussion or vote regarding the transaction or arrangement.

E. Policy Violations. If the Board has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the Board member of the basis for such belief and afford the Board member an opportunity to explain the alleged failure to disclose.

If, after receiving the response of the Board member and making any necessary investigations, the Board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

F. Minutes of meetings. The minutes of the Board and all committees with Board-delegated powers shall contain:

- (1) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest;
- (2) the nature of the financial interest;
- (3) any action taken to determine whether a conflict of interest was present; and
- (4) the Board's or committee's decision as to whether a conflict of interest in fact existed.

G. Dissemination and acknowledgment of policy. This policy shall be distributed to all persons covered by this policy annually. Each person covered by this policy shall sign an annual statement that he or she; i) received a copy of the policy; ii) read and understands the policy; and iii) agrees to comply with the policy.



MARCIA J. NIELSEN, PhD, MPH  
Interim Executive Director

**K A N S A S**  
KANSAS HEALTH POLICY AUTHORITY

ANDREW ALLISON, PhD  
Deputy Director

August 23, 2006

Members of the KHPA Standing Committees:

Finance and Audit Committee:

Ned Holland, Chair  
Joe Tilghman  
Secretary Rod Bremby

Human Capital and Compensation Committee:

Arneatha Martin, Chair  
Acting Secretary Kathy Greenlee  
Vernon Mills  
Ray Davis (once confirmed)

Governance and Nominating Committee:

Garen Cox, Chair  
Susan Page  
Secretary Gary Daniels

Executive Committee:

Connie Hubbell, Chair  
Joe Tilghman, Vice Chair  
Susan Page, Secretary

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

**Kansas Medical Assistance Programs:**

Phone: 785-296-3981  
Fax: 785-296-4813

**State Employee Health Benefits and Plan Purchasing:**

Phone: 785-296-6280  
Fax: 785-368-7180

**State Self Insurance Fund:**

Phone: 785-296-2364  
Fax: 785-296-6995